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31 October 1974

MEMORANDUM FOR THE RECORD

SUBJECT : Conversation with William Barnds,
Murphy Commission, on 10 October
1974, at 1615 Hours

1. Bill Barnds arrived late and tired for his conversation regarding the USIB/IRAC structure. Consequently the discussion was brief (20 minutes) and quite general in nature. We went over the list of USIB and IRAC subordinate committees and touched on the requirements problem and the DCI's desires to improve the mechanism relating requirements to resources, to the final intelligence product. I commented on a number of changes which have taken place, or were in train, regarding the HSC, the Watch Committee, the Security Committee, and the SIC. We discussed briefly the tasking procedures for USIB Committees.

2. When Bill left he said that he might wish to come back and get a bit more detail on some of the subjects which had been discussed.

/S/
[Redacted]
Executive Secretary, USIB/IRAC

STATINTL

cc:

Mrs. [Redacted]

IC Staff

USIB/IRAC/S:BAL [Redacted]

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Original

USIB/IRAC Memo for Record File

Mrs. [Redacted] IC Staff

USIB-D-26.3/Murphy Commission

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DCI/IC 74-2355

22 October 1974

MEMORANDUM OF CONVERSATION

PARTICIPANTS: William E. Colby, Director of Central Intelligence
William J. Barnds, Murphy Commission
[redacted] IC Staff

DATE: October 21, 1974

1. Mr. Colby and Mr. Barnds met for approximately 40 minutes and discussed four general topics (itemized below) introduced by Mr. Barnds. The atmosphere was cordial and relaxed. Mr. Barnds did not take notes.

2. Guidance and Feedback: Mr. Barnds asked whether Mr. Colby felt policymakers were sufficiently responsive in providing guidance and reactions. Mr. Colby remarked that in the real world policymakers are extremely busy and do not have time to sit down and produce report cards for the intelligence community. He said that the consumer is used to a high standard of quality and doesn't feel the need to comment on what is regarded as a satisfactory norm. He pointed out that Secretary Kissinger called for intelligence briefings at all major policy meetings. On the subject of formal guidance, the Director outlined the KIQ/KEP process and said that the main effort is to get policymakers to sign off on the KIQs so that they will think about the issues and so that the DCI can establish a baseline for how well the intelligence community is responding to these questions. The Director also discussed the NSCIC and his hope that this mechanism will be increasingly active. He noted that consumer influence is likely to come largely from informal channels, particularly through himself and the NIO mechanism. Mr. Colby said he believes that cross-channel communication is improving as the essentially vertical hierarchies of the intelligence community learn to talk to one another. He pointed out that the NIO system is not a command channel. It reflects the DCI's effort to tell program managers what is important not how to manage their separate organizations.

3. Economic Intelligence: Mr. Barnds outlined the problems of establishing the boundaries of what should be collected in this field, who should analyze it, and how non-USIB agencies tap into the

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system. Mr. Colby pointed out the difficulties confronted by intelligence organizations which have information that would be valuable to US business and the national economy, but which cannot favor one US business over another. He remarked that this is a dilemma that he has yet to solve. Mr. Colby explained that non-USIB agencies can task the intelligence community directly or through the Requirements Advisory Board. He said that a major problem is that every agency has its own economic shop and that there is no central point to bring the research and analysis together. He said that the NIO for economics is working on this issue.

4. Organization of the CIA for Clandestine Activities:

Mr. Barnds said that clandestine activity is based on the assumption that secrecy can be maintained, which may no longer be a safe assumption, particularly with the divergence of views--both public and in government--on US foreign policy activities. He pointed out that clandestine activity, particularly covert action, is going to be a highly controversial matter for some time and that the Commission will be paying particular attention to this issue. He indicated that he understood the impracticability of attempting to set up two competing DDOs that would focus respectively on clandestine intelligence gathering and on covert action. He asked whether it might not be practical, however, to separate certain deep cover covert action efforts.

Mr. Colby responded by pointing out that the trend in the Agency is in the opposite direction, and that the experience of the Bay of Pigs has taught us that it is important to have senior analytical officers review proposed covert action plans before they are submitted to the Forty Committee. He said that efforts to separate portions of the DDO have proved unworkable in the past and moreover would sacrifice the valuable interrelationship that officers in the field must have if operations are to succeed at all. Mr. Colby also noted that cover arrangements remain a problem, but are really more a problem in the US than overseas where foreigners don't much care since they view all US officials as reporters for the USG. The Director outlined the normal working of an overseas station and emphasized that it would not be possible for a station to separate its functions into categories such as liaison or recruitment. All officers should be able to do all tasks, and flaps do not result when their work is done well. He said that professionalism is increasing and that this is the best safeguard the community has for its intelligence operations. The Director also discussed attempts to misuse the Agency and his belief that any improper requests would

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meet with complete employee rejection, which he applauded. He brought up his Sources and Methods legislative package and explained the need for such a program, particularly following the Agee and Marchetti cases. Mr. Colby reviewed the types of briefing he provides for Congress and said that while he does not volunteer the names of sources, he would give any information requested by the Agency oversight committees.

5. Management Responsibilities: Mr. Barnds and Mr. Colby briefly discussed the DCI's budget review of other agencies' intelligence programs. Mr. Colby said he could identify questions and make recommendations on budget questions, but could not force other agencies to follow his guidance. Mr. Barnds asked what areas of the community seem to be weakest, and Mr. Colby responded that inequalities in personnel grade levels have adversely affected some agencies. STATINTL

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DCI/IC 74-2331

1 October 1974

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Mr. Edward Proctor, Deputy Director for
Intelligence
Mr. William Barnds, Murphy Commission Staff
[redacted] Intelligence Community
Staff

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DATE : 10 September 1974

1. Mr. Proctor and Mr. Barnds discussed a number of issues concerning the production of finished intelligence and its general relevance to the policymaker. Mr. Barnds asked Mr. Proctor's views on the general trends within the DDI in recent years, and Mr. Proctor noted that much more emphasis is now placed on ensuring that we know for whom we are writing and why. This involves trying to maintain as much feedback from the consumer as possible, particularly on non-routine production. Mr. Proctor emphasized that responsiveness to key consumers was a critical concern in the DDI. They also discussed finished intelligence reporting from other agencies, particularly the role of DIA in serving the JCS and the various services.

2. Mr. Proctor and Mr. Barnds reviewed the new emphasis on economic reporting and the sensitivity of intelligence information either on or of value to multi-national corporations and US businesses abroad. Mr. Proctor described what is being done in this field both by the Agency and by other concerned Government agencies, and he said that economic intelligence is likely to remain a high-priority item.

3. Mr. Barnds suggested that the Commission is likely again to take up the old notion of splitting the DDO away from the producing offices. Mr. Proctor said that as far as

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he was concerned that was going in precisely the wrong direction and that instead attention ought to be focused on developing closer relations between producers and clandestine collectors, particularly in some areas of political reporting.

4. Mr. Barnds and Mr. Proctor talked about the role of the Director of Central Intelligence in leading both the Agency and the Community. Mr. Barnds asked about the extent of contact between the intelligence producing offices and various military services. They also discussed the USIB Committees, and Mr. Proctor indicated that the military representation on those committees has proved valuable over the years. Mr. Proctor explained briefly the new NIO system and the relationship between the NIOs and the DDI.

5. In closing, Mr. Proctor pointed out that he felt that the organization of the Intelligence Community or any of the Agency's components was really far less important than the motivation of the people in the system. Good people would produce good work no matter what the organization, and it is only to be hoped that the organizational system does not hamper their efforts.

6. Mr. Barnds did not take notes during the meeting, which was very general in nature and more philosophical than substantive. He did not get into matters that were beyond the charter of the Commission.

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CONCUR:

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Edward W. Proctor, DDI

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William J. Barnds

I. The Raw Material of Intelligence Production

- A. The methods of collection and the importance of different sources of information relative to different areas and issues
1. Open material in the public domain
 2. Official reporting
 3. Clandestine reporting
 4. Communications intelligence (COMINT)
 5. Electronic intelligence (ELINT, [] & RADINT)
 6. []
 7. Photographic intelligence
- B. The potential and limitations of each type

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II. The Structure and Output of the Production Units

- A. The processing and transmission of the information collected to analysts and to policymakers
- B. The organization of the intelligence community for production of finished intelligence
1. CIA--the Directorate of Intelligence
 --the Directorate of Science & Technology
 --the National Intelligence Officers
 2. State--the Bureau of Intelligence Research (INR)
 3. Defense--the Defense Intelligence Agency (DIA)
 --the National Security Agency (NSA)
 --the intelligence arms of the military services
 4. AEC, FBI, and Treasury

(This section will include comments on their responsibilities and functions, publications, and strengths and weaknesses)

III. The Role of Intelligence in the Policymaking Process

- A. The functions of intelligence
1. Reporting facts and trends to alert policymakers to problems
 2. Estimating developments to reduce uncertainties and risks
 3. Evaluating the effects of alternative U.S. policies
 4. Verifying compliance with agreements (and judging when verification is and is not possible)

- B. Differing Views of the intelligence office-policymaker relationship
 - 1. The arms-length approach
 - 2. The continuing contact approach
- C. The tasks of the intelligence officers
 - 1. Guiding the collector
 - 2. Keeping attuned to the concerns of the policymaker
 - 3. Producing high quality and objective intelligence
 - 4. Conveying finished intelligence in a persuasive manner
- D. The tasks of the policymakers
 - 1. Providing guidance on the type of intelligence needed
 - 2. Keeping intelligence officers informed of U.S. actions and policies under consideration
 - 3. Conveying evaluations of the intelligence received
- E. Organizational Structures and Methods of Operations
-the interplay of men, facts, ideas, and institutions

IV. Key Issues in the Intelligence-Policymaking Relationship

- A. Guiding and evaluating the performance of U.S. embassies
- B. Coordination and competition in reporting and analysis
- C. The strengths and weaknesses of the NIO system
- D. An evaluation of the USIB system
- E. Economic intelligence support for U.S. foreign economic policy
- F. Guidance by the policymakers--institutional arrangements and ad hoc procedures
- G. Evaluating the intelligence product--progress and problems

Add section on Congressional intelligence requirements.

DCI/IC 74-2331

1 October 1974

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Mr. Edward Proctor, Deputy Director for
Intelligence
Mr. William Barnds, Murphy Commission Staff
[redacted] Intelligence Community
Staff

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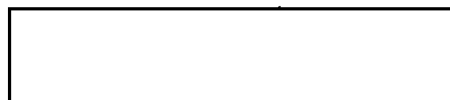
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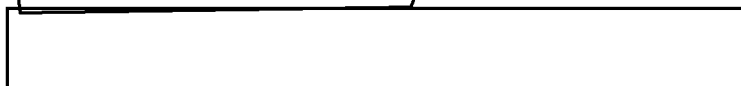
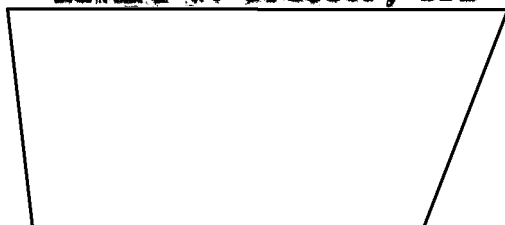
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CONCUR:



21 OCT 1974

Edward W. Proctor, DDI



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DCI/IC 74-2329

30 September 1974

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Mr. George Carver, D/DCI/NIO
Mr. William Barnds, Murphy Commission
[REDACTED] C Staff

DATE : September 9, 1974

1. Mr. Carver and Mr. Barnds had a general discussion of recent trends in intelligence production, with particular reference to the new estimating procedures embodied in the NIO concept. They discussed the background of the abolition of the Board of National Estimates, and the benefits the new system is intended to provide.

2. Mr. Barnds was particularly interested in determining how Mr. Carver and the NIOs went about keeping in touch with policymakers and the topics that are of current concern to them. He was interested in the feedback intelligence producers receive from the consumer. Mr. Carver assured him that this was a subject of continuing concern to the Community, and to the NIOs in particular. He mentioned that it was important to remember that while the NIOs attempted to identify policy needs, they did not serve as policy advocates. They also discussed the NIOs' roles in the KIQ/KEP process and in the evaluation of information collected against substantive questions.

3. Mr. Barnds did not press for any specific information on contacts between intelligence producers and consumers nor did he focus on any particular substantive issue. The discussion was largely philosophical. Mr. Barnds did not take notes and neither did he stray into areas that could in any way be considered beyond the Commissions's charter.

[REDACTED]
Coordination Staff/Secretariat

CONCUR:

[REDACTED]
George A. Carver, Jr.
D/DCI/NIO

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23 September 1974

MEMO FOR THE RECORD

My conversation on 10 September with Bill Barnes, an old friend and colleague for many years, was a general discussion of the problems involved in the kind of study he is working on arising from my own experience in 1968 when I co-edited the book, The President and the Management of National Security.

Beyond that, we discussed mainly the differences between the present system of producing national intelligence and that in effect under the Board of National Estimates. STATINTL



National Intelligence Officer
for Western Europe